**KINNEVIK AB (publ)**

**IMPORTANT TAX NOTICE FOR U.S. SHAREHOLDERS**

**JULY 11, 2022**

This statement is provided for shareholders of Kinnevik AB (publ) (“Kinnevik”) who are “United States persons” for purposes of the U.S. Internal Revenue Code of 1986, as amended (“Code”). It is not relevant to other shareholders. This statement is provided for general informational purposes only, and does not constitute tax advice. U.S. shareholders should consult their own tax advisors as to the application of the passive foreign investment company (“PFIC”) rules to them, as well as the advisability of the election discussed below based on their own facts and circumstances.

As stated previously in its 2021 shareholder communication <https://www.kinnevik.com/globalassets/documents/2.-investors/tax-information/pfic-2020/kinnevik-pfic-statement-2021-09-13.pdf>, Kinnevik believes that Kinnevik, as well as certain of its subsidiaries—i.e., Kinnevik New Ventures AB (“KNV”), Invik S.A. (“Invik”), and Kinnevik Internet Lux S.á r.l. (“KILS”)—likely were treated as PFICs for U.S. federal income tax purposes for its taxable year ended December 31, 2020. In addition, Kinnevik believes that Kinnevik, KNV, Invik and KILS will likely also be considered PFICs for their taxable years ending December 31, 2021.:. Accordingly, United States persons who owned stock in Kinnevik during the taxable year ending December 31, 2021 would likely be subject to the PFIC rules with respect to KNV, Invik and KILS on an indirect ownership basis.

Shareholders generally are required to annually report their ownership of stock in a PFIC on Internal Revenue Service (“IRS”) Form 8621, which must be filed with their U.S. federal income tax returns, whether or not they make the tax election described below. Shareholders are not bound by Kinnevik’s determination and should consult with their U.S. tax advisors before making a conclusion, filing any elections, or taking any positions with respect to Kinnevik’s PFIC status. Such Form 8621 filing requirement also applies to U.S. persons’ indirect ownership of KNV, Invik, and KILS.

The information statements that follow are being made available to shareholders who decide to make a qualifying electing fund election (“QEF election”) with respect to Kinnevik, KNV, Invik, and /or KILS for their taxable years ended December 31, 2021 or who owned stock in Kinnevik in the taxable year ended December 31, 2020 and previously made a QEF election. If desired, a QEF election must be made separately for each of Kinnevik, KNV, Invik and KILS.

Note that if a shareholder owned stock in Kinnevik in the taxable year ended December 31, 2020, but did not previously make a QEF election, there are additional tax considerations associated with making a QEF election for the taxable year ended December 31, 2021. Such shareholders should consult your own tax advisor concerning this issue.

A shareholder who makes a QEF election (including a shareholder who previously made a QEF election for Kinnevik, KNV, Invik and/or KILS) generally is required to annually include in income the shareholder’s pro rata shares of the ordinary earnings and net capital gain of Kinnevik or the subsidiary for taxable years in which Kinnevik or the relevant subsidiary is a PFIC, whether or not Kinnevik makes any distributions to shareholders. Shareholders making a QEF election may use the information on the following pages to prepare their U.S. federal income tax returns, including IRS Form 8621, the form on which a QEF election is made.

No assurance can be provided that Kinnevik will satisfy the recordkeeping requirements or supply shareholders with the information required with respect to a QEF election for any subsequent taxable years. Further information on PFIC rules is available on the IRS’s website, including at the following pages:

• Information about PFICs and the QEF election: http://www.irs.gov/instructions/i8621/ch01.html

• Instructions to complete IRS Form 8621: http://www.irs.gov/pub/irs-pdf/i8621.pdf

• IRS Form 8621: http://www.irs.gov/pub/irs-pdf/f8621.pdf

THE INFORMATION IN THIS STATEMENT IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. U.S. TAX LAWS REGARDING PFICS ARE EXTREMELY COMPLEX, AND SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THEIR INVESTMENT IN, AND OWNERSHIP OF, SHARES OF KINNEVIK UNDER U.S. FEDERAL, STATE, LOCAL AND FOREIGN LAW, AS WELL AS APPLICABLE TAX REPORTING OBLIGATIONS.

PFIC Annual Information Statement

For the Taxable Year Ended December 31, 2021

The information below is provided pursuant to U.S. Treasury Regulation Section 1.1295-1(g)(1) for shareholders of Kinnevik who are United States persons making a QEF election. The information is relevant for completing IRS Form 8621.

PFIC Name: Kinnevik AB

PFIC EIN: 98-1501370

PFIC Year: January 1, 2021 to December 31, 2021

1. The taxable year of Kinnevik AB to which this statement applies began on January 1, 2021 and ended on December 31, 2021.

2. Kinnevik AB’s per-share, per-day ordinary earnings and net capital gain information with respect to Class A and B shares for the period specified in paragraph 1 are:

|  |  |  |
| --- | --- | --- |
| **Period** | **Ordinary earnings (in USD)** | **Net capital gains (in USD)** |
| January 1, 2021 to May 4, 2021 | 0.0000869775 | 0.0484408177 |
| May 4, 2021 to July 21, 2021 | 0.0000869166 | 0.0484069161 |
| July 21, 2021 to December 31, 2021 | 0.0000868403 | 0.0483643920 |

To determine your pro rata shares of the amounts above, multiply the amounts by your number of Class A and B shares in Kinnevik AB, and then by the number of days you held the respective shares during the period specified in paragraph 1 (i.e., 365 if you held shares during the entirety of Kinnevik AB’s taxable year ended December 31, 2021).

3. The amount of cash and the fair market value of other property distributed or deemed distributed by Kinnevik AB during the period specified in paragraph 1 is, on a per-share basis:

|  |  |
| --- | --- |
| **Date** | **Cash/Property Distributions (USD)** |
| May 18, 2021 | 20.6633665157 |

Please consult your financial or tax advisor for (i) the actual amount of cash or other property distributed or deemed distributed to you if you did not hold your shares in Kinnevik AB for the entire period specified in paragraph 1 and (ii) the income tax impact of any portion of such distribution that may be considered to have been made out of Kinnevik AB's earnings and profits which you previously included in income under IRC section 1293(a), if applicable (as Kinnevik AB has made no such reductions to the cash distribution amount presented herein).

A U.S. tax advisor of Kinnevik AB has computed the above amounts in accordance with U.S. income tax principles. Kinnevik AB will permit you to inspect and copy its permanent books of account, records and such other documents as may be maintained by it to establish that Kinnevik AB’s ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata shares thereof.[[1]](#footnote-1)

**Distribution of Zalando SE interest**

During 2021, Kinnevik AB distributed its Zalando SE shares to its shareholders. On May 18, 2021, each Kinnevik AB ordinary share was split into two new shares: (i) a redemption share and (ii) an ordinary share that corresponded to the ordinary share that was split (the "Share-Split"). On June 18, 2021, all redemption shares were automatically redeemed by Kinnevik AB and, on the same day, owners of redemption shares received 28 Swedish Zalando Shares for every 143 redemption shares (the "Redemption"). Collectively, the Share-Split and the Redemption are herein referred to as the "Zalando Distribution".

For purposes of the per-share, per-day information contained in notes 2 and 3 above, the Share-Split was treated as a distribution of property other than equity in Kinnevik AB for US federal income tax purposes. The amount of the distribution in note 3 was calculated using the final distribution amount of 28 Swedish Zalando shares for every 143 redemption shares and the fair market value of Kinnevik AB's Zalando SE shares as of May 18, 2021 based on the EUR 86.40 (or USD 105.44 based on the spot rate) closing share price on that date on the Frankfurt Stock Exchange for Zalando SE shares. This lead to a USD 20.6633665157 per share distribution.

The net capital gain in the amounts above in note 2 arising as a result of the Zalando Distribution was also calculated based on the fair market value of the Zalando SE shares as of May 18, 2021 based on the EUR 86.40 (or USD 101.91 based on the average exchange rate for Kinnevik AB's 2021 taxable year) closing price on that date on the Frankfurt Stock Exchange for the Zalando SE shares.

The information above represents our general understanding of the application of certain existing US federal income tax laws and regulations relating to the Zalando Distribution. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may be applicable to particular categories of shareholders. Please consult with your tax advisor regarding the particular consequences of the Zalando Distribution to you, including the applicability and effect of all US federal, state and local and foreign tax laws.

PFIC Annual Information Statement

For the Taxable Year Ended December 31, 2021

The information below is provided pursuant to U.S. Treasury Regulation Section 1.1295-1(g)(1) for shareholders of Kinnevik who are United States persons making a QEF election. The information is relevant for completing IRS Form 8621.

PFIC Name: Kinnevik New Ventures AB

PFIC EIN: NA

PFIC Year: January 1, 2021 to December 31, 2021

1. The taxable year of Kinnevik New Ventures AB to which this statement applies began on January 1, 2021 and ended on December 31, 2021.

2. Kinnevik New Ventures AB’s per-share, per-day ordinary earnings and net capital gain information with respect to Class A and B shares for the period specified in paragraph 1 are:

|  |  |  |
| --- | --- | --- |
| **Period** | **Ordinary earnings (in USD)** | **Net capital gains (in USD)** |
| January 1, 2021 to May 4, 2021 | 0.0000000000 | 0.0000000000 |
| May 4, 2021 to July 21, 2021 | 0.0000000000 | 0.0000000000 |
| July 21, 2021 to December 31, 2021 | 0.0000000000 | 0.0000000000 |

To determine your pro rata shares of the amounts above, multiply the amounts by your number of Class A and B shares in Kinnevik AB, and then by the number of days you held the respective shares during the period specified in paragraph 1 (i.e., 365 if you held shares during the entirety of Kinnevik New Ventures AB’s taxable year ended December 31, 2021).

3. Kinnevik New Ventures AB did not make any distributions or deemed distributions for the tax year specified in paragraph 1.

A U.S. tax advisor of Kinnevik AB has computed the above amounts in accordance with U.S. income tax principles. Kinnevik AB will permit you to inspect and copy its permanent books of account, records and such other documents as may be maintained by it to establish that Kinnevik New Ventures AB’s ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata shares thereof.[[2]](#footnote-2)

PFIC Annual Information Statement

For the Taxable Year Ended December 31, 2021

The information below is provided pursuant to U.S. Treasury Regulation Section 1.1295-1(g)(1) for shareholders of Kinnevik who are United States persons making a QEF election. The information is relevant for completing IRS Form 8621.

PFIC Name: Invik S.A.

PFIC EIN: NA

PFIC Year: January 1, 2021 to December 31, 2021

1. The taxable year of Invik S.A. to which this statement applies began on January 1, 2021 and ended on December 31, 2021.

2. Invik S.A.’s per-share, per-day ordinary earnings and net capital gain information with respect to Class A and B shares for the period specified in paragraph 1 are:

|  |  |  |
| --- | --- | --- |
| **Period** | **Ordinary earnings (in USD)** | **Net capital gains (in USD)** |
| January 1, 2021 to May 4, 2021 | 0.0000000000 | 0.0015483010 |
| May 4, 2021 to July 21, 2021 | 0.0000000000 | 0.0015472174 |
| July 21, 2021 to December 31, 2021 | 0.0000000000 | 0.0015458582 |

To determine your pro rata shares of the amounts above, multiply the amounts by your number of Class A and B shares in Kinnevik AB, and then by the number of days you held the respective shares during the period specified in paragraph 1 (i.e., 365 if you held shares during the entirety of Invik S.A.’s taxable year ended December 31, 2021).

3. Invik S.A. did not make any distributions or deemed distributions for the tax year specified in paragraph 1.

A U.S. tax advisor of Kinnevik AB has computed the above amounts in accordance with U.S. income tax principles. Kinnevik AB will permit you to inspect and copy its permanent books of account, records and such other documents as may be maintained by it to establish that Invik S.A.’s ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata shares thereof.[[3]](#footnote-3)

PFIC Annual Information Statement

For the Taxable Year Ended December 31, 2021

The information below is provided pursuant to U.S. Treasury Regulation Section 1.1295-1(g)(1) for shareholders of Kinnevik who are United States persons making a QEF election. The information is relevant for completing IRS Form 8621.

PFIC Name: Kinnevik Internet Lux S.á r.l.

PFIC EIN: 98-1570754

PFIC Year: January 1, 2021 to January 1, 2021

1. The taxable year of Kinnevik Internet Lux S.á r.l. to which this statement applies began on January 1, 2021 and ended on January 1, 2021.

2. Kinnevik Internet Lux S.á r.l.’s per-share, per-day ordinary earnings and net capital gain information with respect to Class A and B shares for the period specified in paragraph 1 are:

|  |  |  |
| --- | --- | --- |
| **Period** | **Ordinary earnings (in USD)** | **Net capital gains (in USD)** |
| January 1, 2021 to January 1, 2021 | 0.0000000000 | 0.0000000000 |

To determine your pro rata shares of the amounts above, multiply the amounts by your number of Class A and B shares in Kinnevik AB, and then by the number of days you held the respective shares during the period specified in paragraph 1 (i.e., 1 if you held shares during the entirety of Kinnevik Internet Lux S.á r.l.’s taxable year ended January 1, 2021).

3. Kinnevik Internet Lux S.á r.l. did not make any distributions or deemed distributions for the tax year specified in paragraph 1.

A U.S. tax advisor of Kinnevik AB has computed the above amounts in accordance with U.S. income tax principles. Kinnevik AB will permit you to inspect and copy its permanent books of account, records and such other documents as may be maintained by it to establish that Kinnevik Internet Lux S.á r.l.’s ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata shares thereof.[[4]](#footnote-4)

1. Access will be granted to such books, records and other documents that are required to be produced under applicable accounting law, and will be granted to the greatest extent permissible under Swedish law. [↑](#footnote-ref-1)
2. Access will be granted to such books, records and other documents that are required to be produced under applicable accounting law, and will be granted to the greatest extent permissible under Swedish law. [↑](#footnote-ref-2)
3. Access will be granted to such books, records and other documents that are required to be produced under applicable accounting law, and will be granted to the greatest extent permissible under Swedish law. [↑](#footnote-ref-3)
4. Access will be granted to such books, records and other documents that are required to be produced under applicable accounting law, and will be granted to the greatest extent permissible under Swedish law. [↑](#footnote-ref-4)